unproductive project should be able, by bidding a high price for capital, to forestall the demand of the more useful producer. And with regard to the issue of foreign securities, there is this to be said, that foreign securities placed in London have the same effect upon foreign exchange as the import into England of goods shipped from any country; that is to say, for the time being they turn the exchange against us. On the other hand, it is a well-known commonplace that imports of securities have to be balanced by exports of goods or services; and as the times when our export trade is most active are those when most foreign securities are being placed in London, it follows that any restrictions placed upon the issue of foreign securities in London will hinder rather than help that recovery in our export trade which is so essential to the restoration of our position as a creditor country.

Moreover, our rulers must remember this, that in War-time, when all the letters sent abroad are subject to the eye of the Censor, it is possible to control the export of British funds abroad; but that in peace time (unless the censorship is to continue), it will not be possible to check foreign investment by restricting the issuing of foreign securities in London. If people see better rates to be earned abroad and more favourable prospects offered by the price of securities on foreign Stock Exchanges,

they will invest abroad, whether securities are issued in London or not. As for the curious suggestion that the profits of industrial companies are hence-forward to be limited and the whole balance above